



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 21, 2000

H.R. 4864

Veterans Claims Assistance Act of 2000

As ordered reported by the House Committee on Veterans' Affairs on July 20, 2000

SUMMARY

H.R. 4864 would require the Department of Veterans Affairs (VA) to provide assistance to veterans who file claims for VA benefits. CBO estimates that implementing the bill would cost \$4 million in 2001 and \$7 million to \$8 million annually thereafter, assuming appropriation of the necessary funds. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 4864 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of the bill is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

BASIS OF ESTIMATE

H.R. 4864 would require VA to provide more assistance than it does under current law to veterans who file claims for benefits. The bill would require VA to pursue any records the Secretary identifies as necessary to establish a claim, and it would require VA to draft regulations that specify what information is necessary for a claim. H.R. 4864 would direct VA to inform veterans of any information the VA needs to adjudicate an incomplete claim, pursue information the veteran authorizes or requests the VA to obtain, and inform the veteran when the department cannot locate information pertinent to a claim.

If relevant for claims to disability compensation, VA would be required to obtain pertinent records, including a veteran's medical record from military service, his or her service record, any records of treatment provided by the VA, and any other relevant materials available from other federal agencies. The bill also would require VA to provide medical exams to veterans who need them to substantiate their claims. Also, the bill would allow any claimant who had a claim denied since July 14, 1999, to resubmit it if the claim was denied because it lacked sufficient evidence.

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for VA's General Operating Expenses						
Estimated Authorization Level ^a	941	941	941	941	941	941
Estimated Outlays	925	941	941	941	941	941
Proposed Changes						
Estimated Authorization Level	0	4	7	8	8	8
Estimated Outlays	0	4	7	7	8	8
Spending Under H.R. 4864 for VA's General Operating Expenses						
Estimated Authorization Level ^a	941	945	948	949	949	949
Estimated Outlays	925	945	948	948	949	949

NOTE: This table assumes that funding under current law will remain at the level appropriated for 2000 without adjustment for inflation. If funding over the 2001-2005 period is adjusted for inflation, the base amounts would increase by about \$35 million a year, but the cost of the proposed changes would remain as shown under "Proposed Changes."

a. The 2000 level is the amount appropriated for that year.

CBO expects that, in order to carry out its responsibilities under H.R. 4864, VA would have to hire additional claims adjudicators. Based on information from the VA, CBO assumes that 110 additional claims adjudicators would be hired at an estimated cost of \$3 million in salary and benefits in 2001 and about \$7 million annually thereafter. CBO estimates that training would cost about \$1 million a year and that one-time costs associated with expanding the claims processing staff would be about \$700,000 in 2001. The cost of providing medical exams is covered under current law. CBO does not expect a significant increase in benefit payments as a result of this bill.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4864 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On February 23, 2000, CBO transmitted a cost estimate for H.R. 3193, the Duty to Assist Veterans Act of 1999. That bill and H.R. 4864 are similar, but not identical. The estimated costs are the same, however, because CBO believes that VA would implement them substantially the same way.

ESTIMATE PREPARED BY:

Federal Costs: Evan Christman

Impact on State, Local, and Tribal Governments: Susan Seig Tompkins

Impact on the Private Sector: Rachel Schmidt

ESTIMATE APPROVED BY:

Robert A. Sunshine

Assistant Director for Budget Analysis